HOUSING MARKET INFORMATION

HOUSING NOW
Charlottetown CA

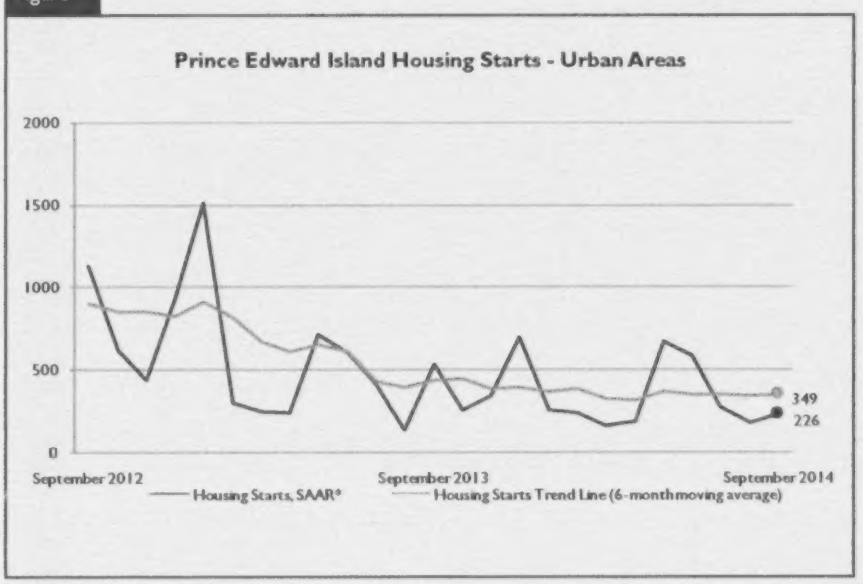
CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fourth Quarter 2014

Highlights

- Housing starts trend lower during the third quarter of 2014
- MLS® sales recorded an increase in the third quarter
- Average price of new a home continues to rise

Figure 1



Source: CMHC

*SAAR: Seasonally Adjusted Annual Rate

The seasonally adjusted annual rate (SAAR) is a monthly figure for starts adjusted to remove normal season variation and multiplied by 12 to reflect annual levels. By removing seasonal ups and downs, seasonal adjustment allows for a comparison from one season to the next and from one month to the next. Reporting monthly figures at annual rates indicates the annual level of starts that would be obtained if the monthly pace was maintained for 12 months. This facilitates comparison of the current pace of activity to annual forecasts as well as to historical annual levels.

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Figure 2

Source: CMHC

Housing starts in Prince Edward Island were trending at 349 units in September compared to 338 in August according to Canada Mortgage and Housing Corporation (CMHC). The trend is a six month moving average of the monthly seasonally adjusted annual rates (SAAR)[1] of housing starts.

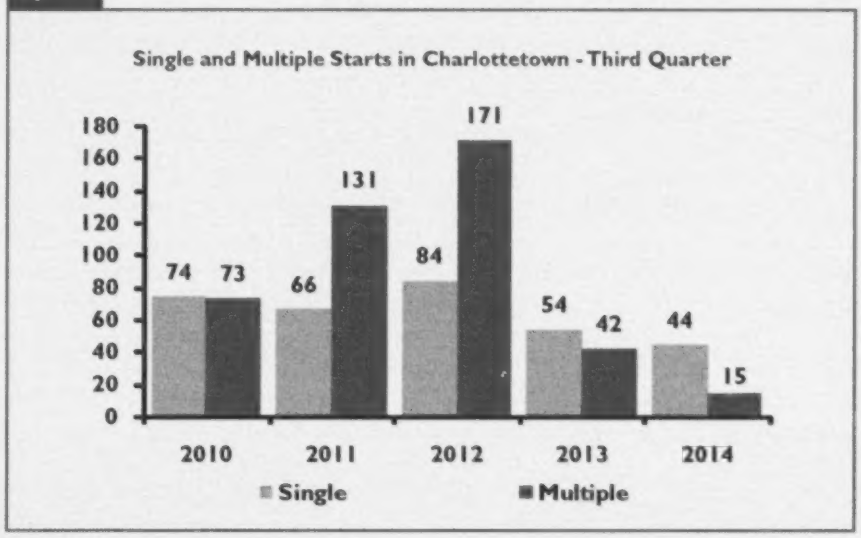
New Home Market

During the first three quarters of 2014, the Charlottetown area has recorded significant declines in the new home market. The homeownership market, consisting mainly of single, semi and row units, recorded fewer starts due to rising construction costs and significant declines in international migration. Purpose built rental construction has declined too due to an elevated vacancy rate. The Spring 2014 Rental Market Survey recorded an overall vacancy rate of 8.7 per cent in the Charlottetown area. This is more than double the 10-year average of 4.3 per cent and is the highest vacancy rate on record for the Capital Region. The main reason for this is the rapid rise in the supply of new rental units since 2009.

The latter half of 2013 recorded a significant decline in new construction activity and this trend has carried forward into 2014. Total starts in the Charlottetown area fell to 59 units in the third quarter, from 96 during the same period last year. Single starts declined to 44 units in the third quarter of 2014, from 54 units last year. Semi-detached and row starts also recorded a slower third quarter with starts falling to eight and six units, from ten and eight units respectively. Apartment starts posted the largest decrease during the quarter, falling to one unit from 24 units in 2013.

With weaker results during the first three quarters of 2014, total new construction in the Charlottetown area is well behind the 2013 levels. Total YTD housing starts in the Charlottetown area have fallen to 169 units in 2014 from 340 in 2013. Single starts during the first nine months

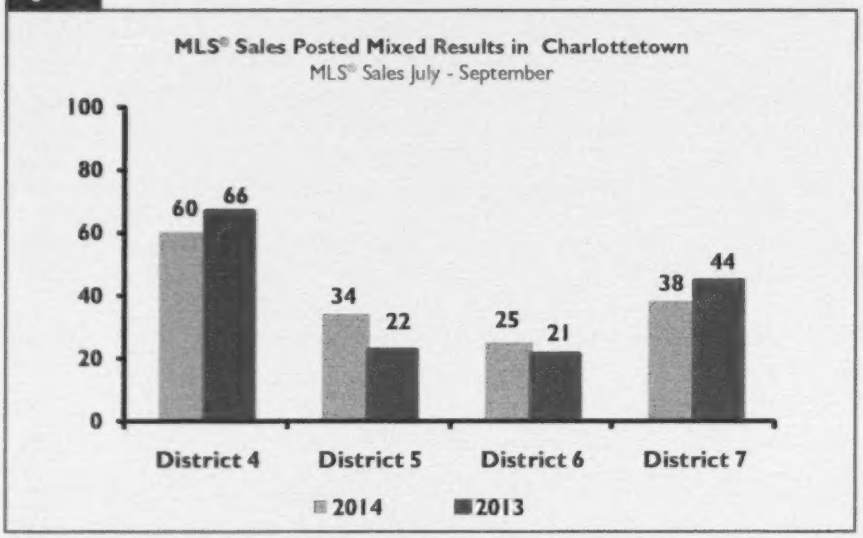
Figure 3



Source: CMHC

[1] The seasonally adjusted annual rate (SAAR) is a monthly figure for starts adjusted to remove normal season variation and multiplied by 12 to reflect annual levels. By removing seasonal ups and downs, seasonal adjustment allows for a comparison from one season to the next and from one month to the next. Reporting monthly figures at annual rates indicates the annual level of starts that would be obtained if the monthly pace was maintained for 12 months. This facilitates comparison of the current pace of activity to annual forecasts as well as to historical annual levels.

Figure 4



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Source : Greater Moncton REALTORS® du Grand Moncton/Saint John Real Estate Board/The Real Estate Board of the Fredericton Area Inc.

of 2014 reached 96 units compared to 119 units in 2013, a decline of almost 20 per cent. Apartment starts posted a more dramatic decline of over 70 per cent during the first three quarter of 2014. There were only 48 new apartment units started in the Charlottetown area during the first nine months of 2014, compared to 181 units during the same period in 2013. Semi-detached are also behind 2013 levels with only 16 starts, which is half the number of units recorded in 2013. Row units recorded the only increase in starts activity recorded during the first nine months of 2014, with nine units in 2014 compared to 8 units in 2013.

Despite the decline in single detached starts, the cost of a new home in the Charlottetown area rose by more than 10 per cent during the first three quarters of 2014 to $311,615. This represents a new record for the capital region continuing the trend of rising new home prices. While some of the price increase can be attributed to rising land, labour and material costs, consumer preferences for more feature laden homes has been the main driver behind higher prices. This trend is more apparent when the actual new home price increases are compared to Statistics Canada's New House Price Index (NHPI), which measures the increase in costs when building the same home year-over-year. Over the past ten years the increase in the actual new home price has consistently outpaced the NHPI. During the past ten years the average new home price increased by 4.6 per cent annually, while the NHPI recorded an annual growth rate only 1.26 per cent. This suggests that consumer preferences for larger, more elaborate homes continue to result in the average price rising faster than the new home price index.

Existing Home Market

In 2013, the Charlottetown area recorded overall declines in both MLS® sales and the average sale price. This was the first time in over a decade that declines were recorded. As very little has changed in the Charlottetown resale market over the past year, activity in 2014 is quite similar to 2013. In the third quarter of 2014, sales in the Charlottetown area increased by three percent, while the average sale price remained essentially unchanged.

During the third quarter of 2014, MLS® sales in the Charlottetown area posted a moderate increase over the 2013 levels. Submarket level sales, however, show mixed results. Districts 4 and 7 recorded decreases in sales, with 60 and 38 sales compared to 66 and 44 units in 2013, respectively. District 5 recorded 34 sales in 2014, compared to 22 during the same period last year. District 6 also posted an increase in the third quarter with 25 sales, up from 21 in 2013.

New listings increased by nine per cent in the third quarter resulting in a new high of 297 units listed. The recent increase in new listings, combined with weak sales activity, has resulted in buyers' market conditions in Charlottetown since late 2013. This represents the first time the local market has been classified as a buyers' market since the late 1990s. Buyers' market conditions typically entail more housing choices for prospective homebuyers, slower price growth, and longer selling times.

The Capital Region saw the overall average sale price remain essentially unchanged in the third quarter of 2014. For the first nine months of 2014, the results are similar with an overall price increase of one per cent. At the submarket level, two of the four districts recorded increases in the third quarter. District 7, the Stratford area, recorded an increase of six per cent which resulted in an overall average sale price of $251,260. District 4, Charlottetown

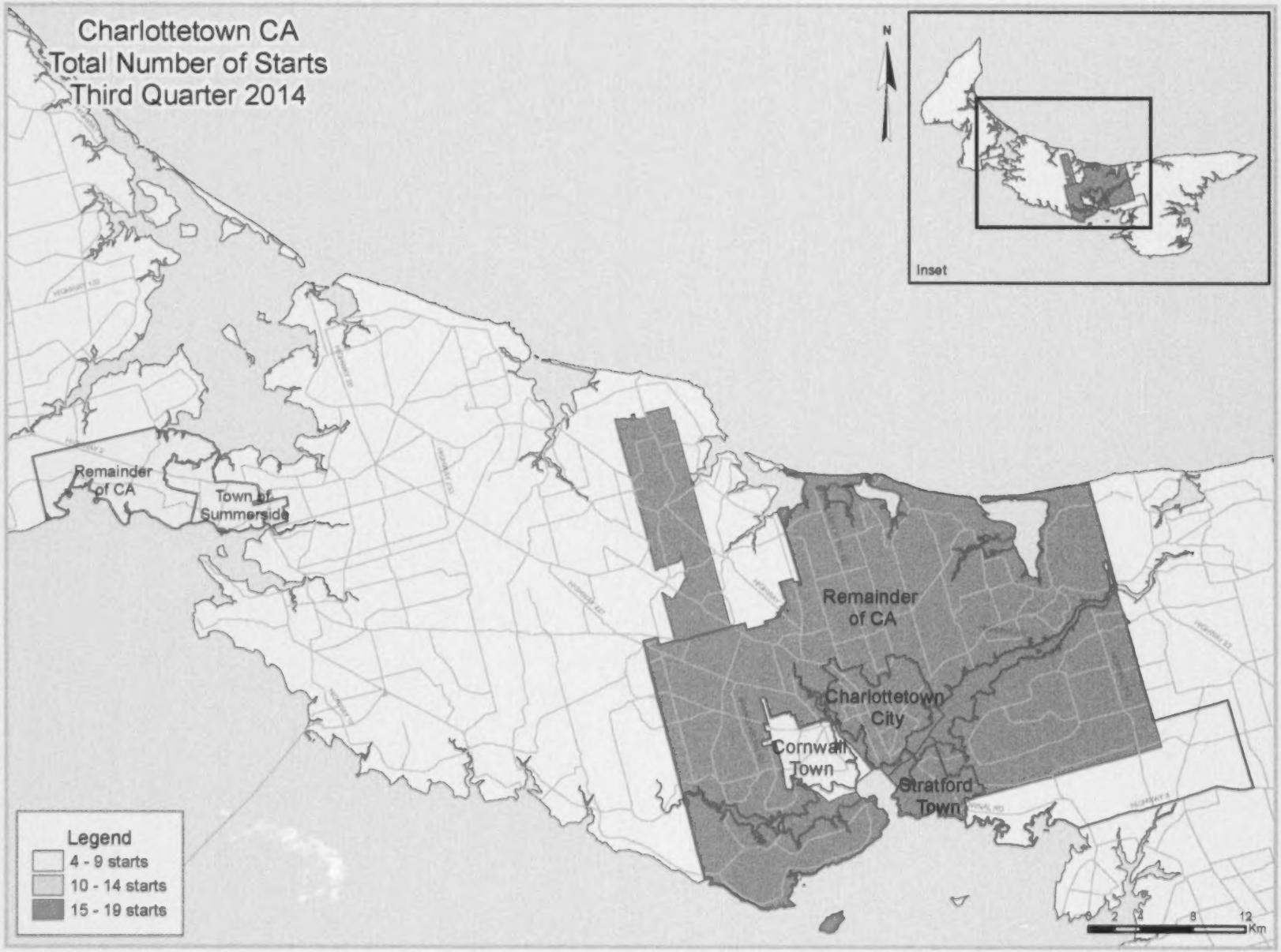
City, recorded an average sale price of $209,058, which is a one per cent decrease from the 2013 level. District 5 recorded an increase of nine per cent during the third quarter, while District 6 posted a two per cent decline.

Spotlight: Agriculture in Prince Edward Island

Agriculture is a dominant industry in the Prince Edward Island economy. On P.E.I 4.5, percent of the population currently live on farms compared with 3 percent in the rest of Canada. Primary agriculture production alone represented 6.7 percent of provincial GDP, four times the national average of 1.6 percent. The agriculture and agri-food sectors (including agri-food manufacturing) contribute over 10 percent to the provincial gross domestic product.

During the 20th century potatoes became the leading cash crop, and now account for one-third of provincial farm income. The province currently accounts for a third of Canada's total potato production. In 2013, Island producers harvested potatoes totaling 25 million hundredweight (cwt) of product. The value of the crop is subject to global market fluctuations, but over the last five years, the PEI Department of Agriculture stated that farm cash receipts values have ranged from $203 to $257 million annually.

To accommodate this level of production from a province with such a small landmass, an estimated total of 70% of the land is cultivated. In 2014, approximately 90,500 acres of potatoes where planted. PEI potatoes are processed into frozen potato products and chips. They are also supplied to the fresh table market in eastern Canada, the United States, and overseas. The province is also a major producer of seed potatoes, exporting to more than twenty countries around the world.


Charlottetown CA
Total Number of Starts
Third Quarter 2014
N
Inset
Remainder of CA
Town of Summerside
Remainder of CA
Charlottetown City
Cornwall Town
Stratford Town
Legend
4 - 9 starts
10 - 14 starts
15 - 19 starts
0 2 4 8 12 Km

HOUSING NOW REPORT TABLES

Available in ALL reports:

1.1	Housing Activity Summary of CA
2	Starts by Submarket and by Dwelling Type – Current Month or Quarter
2.1	Starts by Submarket and by Dwelling Type – Year-to-Date
3	Completions by Submarket and by Dwelling Type – Current Month or Quarter
3.1	Completions by Submarket and by Dwelling Type – Year-to-Date
4	Absorbed Single-Detached Units by Price Range
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1.2	Housing Activity Summary by Submarket
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3.4	Completions by Submarket and by Intended Market – Current Month or Quarter
3.5	Completions by Submarket and by Intended Market – Year-to-Date
4.1	Average Price ($) of Absorbed Single-Detached Units

SYMBOLS

n/a	Not applicable
*	Totals may not add up due to co-operatives and unknown market types
**	Percent change > 200%
-	Nil
--	Amount too small to be expressed
SA	Monthly figures are adjusted to remove normal seasonal variation

Table 1.1a: Housing Activity Summary of Charlottetown CA
Third Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Q3 2014	44	8	6	0	0	0	0	1	59
Q3 2013	54	10	4	0	0	24	4	0	96
% Change	-18.5	-20.0	50.0	n/a	n/a	-100.0	-100.0	n/a	-38.5
Year-to-date 2014	96	16	9	0	0	0	0	48	169
Year-to-date 2013	119	32	4	0	0	46	4	135	340
% Change	-19.3	-50.0	125.0	n/a	n/a	-100.0	-100.0	-64.4	-50.3
UNDER CONSTRUCTION									
Q3 2014	97	18	6	0	0	59	0	70	250
Q3 2013	98	28	4	0	12	81	9	127	359
% Change	-1.0	-35.7	50.0	n/a	-100.0	-27.2	-100.0	-44.9	-30.4
COMPLETIONS									
Q3 2014	37	8	3	0	0	0	0	50	98
Q3 2013	36	16	0	0	0	0	0	36	88
% Change	2.8	-50.0	n/a	n/a	n/a	n/a	n/a	38.9	11.4
Year-to-date 2014	88	10	3	0	0	22	12	124	259
Year-to-date 2013	120	40	4	0	12	0	13	149	338
% Change	-26.7	-75.0	-25.0	n/a	-100.0	n/a	-7.7	-16.8	-23.4
COMPLETED & NOT ABSORBED									
Q3 2014	13	4	1	0	0	18	n/a	n/a	36
Q3 2013	10	6	0	0	0	0	n/a	n/a	16
% Change	30.0	-33.3	n/a	n/a	n/a	n/a	n/a	n/a	125.0
ABSORBED									
Q3 2014	29	4	2	0	0	2	n/a	n/a	37
Q3 2013	34	12	0	0	0	0	n/a	n/a	46
% Change	-14.7	-66.7	n/a	n/a	n/a	n/a	n/a	n/a	-19.6
Year-to-date 2014	96	8	2	0	0	4	n/a	n/a	110
Year-to-date 2013	140	39	4	0	12	7	n/a	n/a	202
% Change	-31.4	-79.5	-50.0	n/a	-100.0	-42.9	n/a	n/a	-45.5

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1b: Housing Activity Summary of Summerside CA
Third Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Q3 2014	3	6	0	0	0	0	0	0	9
Q3 2013	5	4	0	0	0	0	0	0	9
% Change	-40.0	50.0	n/a	n/a	n/a	n/a	n/a	n/a	0.0
Year-to-date 2014	6	16	0	0	0	0	8	26	56
Year-to-date 2013	10	6	0	0	0	0	11	23	50
% Change	-40.0	166.7	n/a	n/a	n/a	n/a	-27.3	13.0	12.0
UNDER CONSTRUCTION									
Q3 2014	7	16	0	0	0	0	8	26	57
Q3 2013	9	2	0	0	0	0	0	22	33
% Change	-22.2	**	n/a	n/a	n/a	n/a	n/a	18.2	72.7
COMPLETIONS									
Q3 2014	1	2	0	0	0	0	0	0	3
Q3 2013	2	6	0	0	0	0	10	1	19
% Change	-50.0	-66.7	n/a	n/a	n/a	n/a	-100.0	-100.0	-84.2
Year-to-date 2014	8	2	0	0	0	0	8	22	40
Year-to-date 2013	9	6	0	0	0	0	19	22	56
% Change	-11.1	-66.7	n/a	n/a	n/a	n/a	-57.9	0.0	-28.6
COMPLETED & NOT ABSORBED									
Q3 2014	0	0	0	0	0	0	n/a	n/a	0
Q3 2013	0	0	0	0	0	0	n/a	n/a	0
% Change	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ABSORBED									
Q3 2014	0	0	0	0	0	0	n/a	n/a	0
Q3 2013	0	0	0	0	0	0	n/a	n/a	0
% Change	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year-to-date 2014	0	0	0	0	0	0	n/a	n/a	0
Year-to-date 2013	0	0	0	0	0	0	n/a	n/a	0
% Change	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.2: Housing Activity Summary by Submarket
Third Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Charlottetown City									
Q3 2014	10	8	0	0	0	0	0	1	19
Q3 2013	16	4	0	0	0	0	1	0	21
Stratford Town									
Q3 2014	13	0	3	0	0	0	0	0	16
Q3 2013	13	0	0	0	0	24	0	0	37
Cornwall Town									
Q3 2014	5	0	0	0	0	0	0	0	5
Q3 2013	6	2	4	0	0	0	0	0	12
Remainder of the CA									
Q3 2014	16	0	3	0	0	0	0	0	19
Q3 2013	19	4	0	0	0	0	3	0	26
Charlottetown CA									
Q3 2014	44	8	6	0	0	0	0	1	59
Q3 2013	54	10	4	0	0	24	4	0	96
UNDER CONSTRUCTION									
Charlottetown City									
Q3 2014	27	18	0	0	0	35	0	63	143
Q3 2013	30	18	0	0	0	57	1	109	215
Stratford Town									
Q3 2014	31	0	3	0	0	24	0	0	58
Q3 2013	29	2	0	0	12	24	0	18	85
Cornwall Town									
Q3 2014	9	0	0	0	0	0	0	7	16
Q3 2013	9	2	4	0	0	0	5	0	20
Remainder of the CA									
Q3 2014	30	0	3	0	0	0	0	0	33
Q3 2013	30	6	0	0	0	0	3	0	39
Charlottetown CA									
Q3 2014	97	18	6	0	0	59	0	70	250
Q3 2013	98	28	4	0	12	81	9	127	359

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.2: Housing Activity Summary by Submarket
Third Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
COMPLETIONS									
Charlottetown City									
Q3 2014	6	2	3	0	0	0	0	50	61
Q3 2013	12	6	0	0	0	0	0	36	54
Stratford Town									
Q3 2014	9	2	0	0	0	0	0	0	11
Q3 2013	12	2	0	0	0	0	0	0	14
Cornwall Town									
Q3 2014	6	2	0	0	0	0	0	0	8
Q3 2013	2	8	0	0	0	0	0	0	10
Remainder of the CA									
Q3 2014	16	2	0	0	0	0	0	0	18
Q3 2013	10	0	0	0	0	0	0	0	10
Charlottetown CA									
Q3 2014	37	8	3	0	0	0	0	50	98
Q3 2013	36	16	0	0	0	0	0	36	88
COMPLETED & NOT ABSORBED									
Charlottetown City									
Q3 2014	5	1	1	0	0	18	n/a	n/a	25
Q3 2013	1	2	0	0	0	0	n/a	n/a	3
Stratford Town									
Q3 2014	2	2	0	0	0	0	n/a	n/a	4
Q3 2013	6	2	0	0	0	0	n/a	n/a	8
Cornwall Town									
Q3 2014	1	0	0	0	0	0	n/a	n/a	1
Q3 2013	2	2	0	0	0	0	n/a	n/a	4
Remainder of the CA									
Q3 2014	5	1	0	0	0	0	n/a	n/a	6
Q3 2013	1	0	0	0	0	0	n/a	n/a	1
Charlottetown CA									
Q3 2014	13	4	1	0	0	18	n/a	n/a	36
Q3 2013	10	6	0	0	0	0	n/a	n/a	16

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.2: Housing Activity Summary by Submarket
Third Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
ABSORBED									
Charlottetown City									
Q3 2014	4	1	2	0	0	2	n/a	n/a	9
Q3 2013	11	6	0	0	0	0	n/a	n/a	17
Stratford Town									
Q3 2014	9	0	0	0	0	0	n/a	n/a	9
Q3 2013	12	0	0	0	0	0	n/a	n/a	12
Cornwall Town									
Q3 2014	5	2	0	0	0	0	n/a	n/a	7
Q3 2013	2	6	0	0	0	0	n/a	n/a	8
Remainder of the CA									
Q3 2014	11	1	0	0	0	0	n/a	n/a	12
Q3 2013	9	0	0	0	0	0	n/a	n/a	9
Charlottetown CA									
Q3 2014	29	4	2	0	0	2	n/a	n/a	37
Q3 2013	34	12	0	0	0	0	n/a	n/a	46

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.3: History of Housing Starts of Charlottetown CA 2004 - 2013

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
2013	160	46	10	0	0	46	4	172	438
% Change	-28.6	-32.4	150.0	n/a	-100.0	31.4	-50.0	-30.9	-28.4
2012	224	68	4	0	24	35	8	249	612
% Change	11.4	54.5	-80.0	n/a	n/a	n/a	0.0	-4.6	14.6
2011	201	44	20	0	0	0	8	261	534
% Change	-19.6	4.8	-42.9	n/a	n/a	n/a	n/a	36.6	3.1
2010	250	42	35	0	0	0	0	191	518
% Change	-6.7	-8.7	0.0	n/a	-100.0	-100.0	-100.0	-21.4	-22.6
2009	268	46	35	0	19	46	12	243	669
% Change	-4.3	15.0	59.1	n/a	n/a	**	-40.0	**	57.0
2008	280	40	22	0	0	13	20	51	426
% Change	-5.1	-37.5	n/a	n/a	n/a	8.3	n/a	121.7	8.1
2007	295	64	0	0	0	12	0	23	394
% Change	6.9	45.5	n/a	n/a	n/a	-50.0	-100.0	-80.7	-15.6
2006	276	44	0	0	0	24	4	119	467
% Change	-8.3	-50.6	-100.0	n/a	-100.0	n/a	-75.0	**	4.2
2005	301	89	6	0	3	0	16	33	448
% Change	-9.1	64.8	-71.4	n/a	n/a	n/a	-65.2	-13.2	-8.6
2004	331	54	21	0	0	0	46	38	490

Source: CMHC (Starts and Completions Survey)

Table 2: Starts by Submarket and by Dwelling Type
Third Quarter 2014

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	% Change
Charlottetown City	10	16	8	4	0	1	1	0	19	21	-9.5
Stratford Town	13	13	0	0	3	0	0	24	16	37	-56.8
Cornwall Town	5	6	0	2	0	4	0	0	5	12	-58.3
Remainder of the CA	16	19	0	4	3	3	0	0	19	26	-26.9
Charlottetown CA	44	54	8	10	6	8	1	24	59	96	-38.5

Table 2.1: Starts by Submarket and by Dwelling Type
January - September 2014

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	% Change
Charlottetown City	28	39	12	20	3	1	41	131	84	191	-56.0
Stratford Town	26	32	2	2	3	0	0	42	31	76	-59.2
Cornwall Town	6	12	0	2	0	4	7	0	13	18	-27.8
Remainder of the CA	36	36	2	8	3	3	0	8	41	55	-25.5
Charlottetown CA	96	119	16	32	9	8	48	181	169	340	-50.3

Source: CMHC (Starts and Completions Survey)

Table 2.2: Starts by Submarket, by Dwelling Type and by Intended Market
Third Quarter 2014

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013
Charlottetown City	0	0	0	1	0	0	1	0
Stratford Town	3	0	0	0	0	24	0	0
Cornwall Town	0	4	0	0	0	0	0	0
Remainder of the CA	3	0	0	3	0	0	0	0
Charlottetown CA	6	4	0	4	0	24	1	0

Table 2.3: Starts by Submarket, by Dwelling Type and by Intended Market
January - September 2014

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Charlottetown City	3	0	0	1	0	22	41	109
Stratford Town	3	0	0	0	0	24	0	18
Cornwall Town	0	4	0	0	0	0	7	0
Remainder of the CA	3	0	0	3	0	0	0	8
Charlottetown CA	9	4	0	4	0	46	48	135

Source: CMHC (Starts and Completions Survey)

Table 2.4: Starts by Submarket and by Intended Market Third Quarter 2014								
Submarket	Freehold		Condominium		Rental		Total*	
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013
Charlottetown City	18	20	0	0	1	1	19	21
Stratford Town	16	13	0	24	0	0	16	37
Cornwall Town	5	12	0	0	0	0	5	12
Remainder of the CA	19	23	0	0	0	3	19	26
Charlottetown CA	58	68	0	24	1	4	59	96

Table 2.5: Starts by Submarket and by Intended Market January - September 2014								
Submarket	Freehold		Condominium		Rental		Total*	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Charlottetown City	43	59	0	22	41	110	84	191
Stratford Town	31	34	0	24	0	18	31	76
Cornwall Town	6	18	0	0	7	0	13	18
Remainder of the CA	41	44	0	0	0	11	41	55
Charlottetown CA	121	155	0	46	48	139	169	340

Source: CMHC (Starts and Completions Survey)

Table 3: Completions by Submarket and by Dwelling Type
Third Quarter 2014

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	% Change
Charlottetown City	6	12	2	6	3	0	50	36	61	54	13.0
Stratford Town	9	12	2	2	0	0	0	0	11	14	-21.4
Cornwall Town	6	2	2	8	0	0	0	0	8	10	-20.0
Remainder of the CA	16	10	2	0	0	0	0	0	18	10	80.0
Charlottetown CA	37	36	8	16	3	0	50	36	98	88	11.4

Table 3.1: Completions by Submarket and by Dwelling Type
January - September 2014

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	% Change
Charlottetown City	23	39	4	22	4	4	146	123	177	188	-5.9
Stratford Town	22	38	2	8	0	12	0	18	24	76	-68.4
Cornwall Town	12	9	2	8	4	8	0	0	18	25	-28.0
Remainder of the CA	31	35	6	6	3	0	0	8	40	49	-18.4
Charlottetown CA	88	121	14	44	11	24	146	149	259	338	-23.4

Source: CMHC (Starts and Completions Survey)

Table 3.2: Completions by Submarket, by Dwelling Type and by Intended Market
Third Quarter 2014

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013
Charlottetown City	3	0	0	0	0	0	50	36
Stratford Town	0	0	0	0	0	0	0	0
Cornwall Town	0	0	0	0	0	0	0	0
Remainder of the CA	0	0	0	0	0	0	0	0
Charlottetown CA	3	0	0	0	0	0	50	36

Table 3.3: Completions by Submarket, by Dwelling Type and by Intended Market
January - September 2014

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Charlottetown City	3	4	1	0	22	0	124	123
Stratford Town	0	12	0	0	0	0	0	18
Cornwall Town	0	0	4	8	0	0	0	0
Remainder of the CA	0	0	3	0	0	0	0	8
Charlottetown CA	3	16	8	8	22	0	124	149

Source: CMHC (Starts and Completions Survey)

Table 3.4: Completions by Submarket and by Intended Market Third Quarter 2014								
Submarket	Freehold		Condominium		Rental		Total*	
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013
Charlottetown City	11	18	0	0	50	36	61	54
Stratford Town	11	14	0	0	0	0	11	14
Cornwall Town	8	10	0	0	0	0	8	10
Remainder of the CA	18	10	0	0	0	0	18	10
Charlottetown CA	48	52	0	0	50	36	98	88

Table 3.5: Completions by Submarket and by Intended Market January - September 2014								
Submarket	Freehold		Condominium		Rental		Total*	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Charlottetown City	28	63	22	0	127	125	177	188
Stratford Town	24	44	0	12	0	20	24	76
Cornwall Town	14	17	0	0	4	8	18	25
Remainder of the CA	35	40	0	0	5	9	40	49
Charlottetown CA	101	164	22	12	136	162	259	338

Source: CMHC (Starts and Completions Survey)

Table 4: Absorbed Single-Detached Units by Price Range
Third Quarter 2014

Submarket	Price Ranges										Total	Median Price ($)	Average Price ($)
	< $100,000		$100,000 - $149,999		$150,000 - $199,999		$200,000 - $249,999		$250,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
Charlottetown City													
Q3 2014	0	0.0	0	0.0	0	0.0	1	25.0	3	75.0	4	--	--
Q3 2013	0	0.0	0	0.0	3	27.3	3	27.3	5	45.5	11	239,900	310,409
Year-to-date 2014	0	0.0	0	0.0	1	3.8	7	26.9	18	69.2	26	279,450	328,985
Year-to-date 2013	0	0.0	2	4.5	10	22.7	11	25.0	21	47.7	44	248,000	272,941
Stratford Town													
Q3 2014	0	0.0	0	0.0	0	0.0	2	22.2	7	77.8	9	--	--
Q3 2013	0	0.0	0	0.0	1	8.3	2	16.7	9	75.0	12	309,500	333,333
Year-to-date 2014	0	0.0	0	0.0	0	0.0	6	22.2	21	77.8	27	339,900	371,441
Year-to-date 2013	0	0.0	0	0.0	3	6.8	7	15.9	34	77.3	44	304,700	328,170
Cornwall Town													
Q3 2014	0	0.0	1	20.0	2	40.0	1	20.0	1	20.0	5	--	--
Q3 2013	0	0.0	0	0.0	1	50.0	1	50.0	0	0.0	2	--	--
Year-to-date 2014	0	0.0	1	8.3	2	16.7	4	33.3	5	41.7	12	249,450	286,117
Year-to-date 2013	0	0.0	2	22.2	1	11.1	4	44.4	2	22.2	9	--	--
Remainder of the CA													
Q3 2014	0	0.0	2	18.2	3	27.3	3	27.3	3	27.3	11	229,000	225,855
Q3 2013	0	0.0	2	22.2	2	22.2	1	11.1	4	44.4	9	--	--
Year-to-date 2014	0	0.0	3	9.7	6	19.4	12	38.7	10	32.3	31	249,000	254,810
Year-to-date 2013	0	0.0	2	4.7	8	18.6	12	27.9	21	48.8	43	249,900	259,749
Charlottetown CA													
Q3 2014	0	0.0	3	10.3	5	17.2	7	24.1	14	48.3	29	249,900	304,672
Q3 2013	0	0.0	2	5.9	7	20.6	7	20.6	18	52.9	34	259,000	293,391
Year-to-date 2014	0	0.0	4	4.2	9	9.4	29	30.2	54	56.3	96	269,900	311,615
Year-to-date 2013	0	0.0	6	4.3	22	15.7	34	24.3	78	55.7	140	267,000	282,153

Source: CMHC (Market Absorption Survey)

Table 4.1: Average Price ($) of Absorbed Single-detached Units
Third Quarter 2014

Submarket	Q3 2014	Q3 2013	% Change	YTD 2014	YTD 2013	% Change
Charlottetown City	--	310,409	n/a	328,985	272,941	20.5
Stratford Town	--	333,333	n/a	371,441	328,170	13.2
Cornwall Town	--	--	n/a	286,117	--	n/a
Remainder of the CA	225,855	--	n/a	254,810	259,749	-1.9
Charlottetown CA	304,672	293,391	3.8	311,615	282,153	10.4

Source: CMHC (Market Absorption Survey)

Table 5: MLS® Residential Activity in Urban Centres*

Submarket	Third Quarter 2014				Third Quarter 2013				% Change			
	Sales	Average Sale Price ($)	DOM	New Listings	Sales	Average Sale Price ($)	DOM	New Listings	Sales	Average Sale Price ($)	DOM	New Listings
Charlottetown CA**	157	207,781	84	297	153	208,123	81	273	2.6%	-0.2%	3.7%	8.8%
District 4	60	209,058	89	121	66	210,325	77	114	-9.1%	-0.6%	15.6%	6.1%
District 5	34	173,215	82	52	22	159,584	58	54	54.5%	8.5%	41.4%	-3.7%
District 6	25	185,637	85	51	21	189,615	74	31	19.0%	-2.1%	14.9%	64.5%
District 7	38	251,260	82	73	44	237,921	104	74	-13.6%	5.6%	-21.2%	-1.4%
Summerside CA	51	155,047	120	117	49	139,861	116	96	4.1%	10.9%	3.4%	21.9%
Total	208	194,851	93	414	202	191,564	89	369	3.0%	1.7%	3.7%	12.2%

Submarket	Year-to-Date 2014				Year-to-Date 2013				% Change			
	Sales	Average Sale Price ($)	DOM	New Listings	Sales	Average Sale Price ($)	DOM	New Listings	Sales	Average Sale Price ($)	DOM	New Listings
Charlottetown CA**	409	207,715	86	1251	405	204,973	91	1164	1.0%	1.3%	-5.5%	7.5%
District 4	180	215,452	78	366	151	208,365	83	329	19.2%	3.4%	-6.0%	11.2%
District 5	84	168,456	78	169	82	168,767	82	158	2.4%	-0.2%	-4.9%	7.0%
District 6	47	179,976	88	132	63	194,505	89	129	-25.4%	-7.5%	-1.1%	2.3%
District 7	98	240,460	106	248	109	233,563	110	237	-10.1%	3.0%	-3.6%	4.6%
Summerside CA	116	151,887	141	336	142	142,619	129	311	-18.3%	6.5%	9.3%	8.0%
Total	525	195,380	98	1587	547	188,786	101	1475	-4.0%	3.5%	-2.7%	7.6%

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).
**District 4: Charlottetown City, Spring Park & West Royalty
**District 5: Sherwood, Parkdale, East Royalty & Hillsborough Parks
**District 6: Cornwall, North River & Winsloe
**District 7: Bunbury, Southport, Crossroads, Keppoch, Kinlock, Tea Hill, Alexandra to Cherry Valley

Source: PEI Real Estate Association

Table 6: Economic Indicators
Third Quarter 2014

		Interest Rates			NHPI, Total, Charlottetown CMA 2007=100	CPI, 2002 =100	Prince Edward Island Labour Market			
		P & I Per $100,000	Mortgage Rates (%)				Employment SA (,000)	Unemployment Rate (%) SA	Participation Rate (%) SA	Average Weekly Earnings ($) (P.E.I.)
			1 Yr. Term	5 Yr. Term						
2013	January	595	3.00	5.24	102.7	124.4	74.0	11.7	69.5	728
	February	595	3.00	5.24	102.7	125.9	75.4	11.6	70.7	724
	March	590	3.00	5.14	102.7	126.3	75.0	11.8	70.5	728
	April	590	3.00	5.14	103.0	127.8	75.0	11.3	70.1	731
	May	590	3.00	5.14	103.2	127.1	74.5	11.2	69.5	740
	June	590	3.14	5.14	103.4	127.1	73.4	10.9	68.2	739
	July	590	3.14	5.14	103.5	127.4	73.8	11.9	69.2	735
	August	601	3.14	5.34	103.5	127.8	74.0	10.6	68.4	727
	September	601	3.14	5.34	103.5	128.3	73.3	11.3	68.3	730
	October	601	3.14	5.34	103.4	128.3	74.5	10.7	68.9	733
	November	601	3.14	5.34	103.4	128.5	73.7	11.6	69.0	741
	December	601	3.14	5.34	103.4	127.8	73.6	11.6	68.8	743
2014	January	595	3.14	5.24	103.1	128.4	75	11.3	69.4	750
	February	595	3.14	5.24	102.7	129.2	74.7	11.5	69.6	763
	March	581	3.14	4.99	102.3	130.0	74.1	11.8	69.2	769
	April	570	3.14	4.79	102.3	129.6	72.9	11.7	68.0	767
	May	570	3.14	4.79	102.2	129.7	73.5	12.2	68.9	758
	June	570	3.14	4.79	101.9	129.6	74.2	9.8	67.7	754
	July	570	3.14	4.79	101.8	129.6	74.3	9.4	67.4	754
	August	570	3.14	4.79	101.8	129.4	74.5	10.0	68.0	753
	September	570	3.14	4.79		129.7	74.0	9.5	67.2	757
	October									
	November									
	December									

"P & I" means Principal and Interest (assumes $100,000 mortgage amortized over 25 years using current 5 year interest rate)
"NHPI" means New Housing Price Index
"CPI" means Consumer Price Index
"SA" means Seasonally Adjusted

Source: CMHC, adapted from Statistics Canada (CANSIM), Statistics Canada (CANSIM)

METHODOLOGY

Starts & Completions Survey Methodology

The Starts and Completions Survey is conducted by way of site visits which are used to confirm that new units have reached set stages in the construction process. Since most municipalities in the country issue building permits, these are used as an indication of where construction is likely to take place. In areas where there are no permits, reliance has to be placed either on local sources or searching procedures.

The Starts and Completions Survey is carried out monthly in urban areas with population in excess of 50,000, as defined by the 2011 Census. In urban areas with populations of 10,000 to 49,999, all Starts are enumerated in the last month of the quarter (i.e. four times a year, in March, June, September and December). In these centres with quarterly enumeration, Completion activity is modeled based on historical patterns. Monthly Starts and Completions activity in these quarterly locations are statistically estimated at a provincial level for single and multi categories. Centres with populations below 10,000 are enumerated on a sample basis, also in the last month of each quarter (i.e. four times a year, in March, June, September and December).

The Starts and Completions Survey enumerates dwelling units in new structures only, designed for non-transient and year-round occupancy.

Mobile homes are included in the surveys. A mobile home is a type of manufactured house that is completely assembled in a factory and then moved to a foundation before it is occupied.

Trailers or any other movable dwelling (the larger often referred to as a mobile home) with no permanent foundation are excluded from the survey.

Conversions and/or alterations within an existing structure are excluded from the surveys as are seasonal dwellings, such as: summer cottages, hunting and ski cabins, trailers and boat houses; and hostel accommodations, such as: hospitals, nursing homes, penal institutions, convents, monasteries, military and industrial camps, and collective types of accommodation such as: hotels, clubs, and lodging homes.

Market Absorption Survey Methodology

The Market Absorption Survey is carried out in conjunction with the Starts and Completions Survey in urban areas with populations in excess of 50,000. When a structure is recorded as completed, an update is also made as units are sold or rented. The dwellings are then enumerated each month until such time as full absorption occurs.

STARTS AND COMPLETIONS SURVEY AND MARKET ABSORPTION SURVEY DEFINITIONS

A "**dwelling unit**", for purposes of the Starts and Completions Survey, is defined as a structurally separate set of self-contained living premises with a private entrance from outside the building or from a common hall, lobby, or stairway inside the building. Such an entrance must be one that can be used without passing through another separate dwelling unit.

A "**start**", for purposes of the Starts and Completions Survey, is defined as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

The number of units "**under construction**" as at the end of the period shown, takes into account certain adjustments which are necessary for various reasons. For example, after a start on a dwelling has commenced construction may cease, or a structure, when completed, may contain more or fewer dwelling units than were reported at start.

A "**completion**", for purposes of the Starts and Completions Survey, is defined as the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10 per cent of the proposed work remains to be done.

The term "**absorbed**" means that a housing unit is no longer on the market (i.e. has been sold or rented). This usually happens when a binding contract is secured by a non-refundable deposit and has been signed by a qualified purchaser. The purpose of the Market Absorption Survey is to measure the rate at which units are sold or rented after they are completed, as well as collect prices.

DWELLING TYPES:

A "**Single-Detached**" dwelling (also referred to as "**Single**") is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure. Includes link homes, where two units may share a common basement wall but are separated above grade. Also includes cluster-single developments.

A "**Semi-Detached (Double)**" dwelling (also referred to as "**Semi**") is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A "**Row (Townhouse)**" dwelling is a one family dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

The term "**Apartment and other**" includes all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

INTENDED MARKET:

The "**intended market**" is the tenure in which the unit is being marketed. This includes the following categories:

Freehold: A residence where the owner owns the dwelling and lot outright.

Condominium (including Strata-Titled): An individual dwelling which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

Rental: Dwelling constructed for rental purposes regardless of who finances the structure.

GEOGRAPHICAL TERMS:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree on integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

A "**Rural**" area, for the purposes of this publication, is a centre with a population less than 10,000.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

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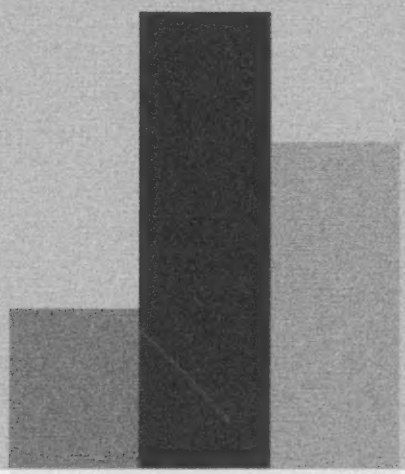

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